

ADMINISTRATIVE PROCEEDING

BEFORE THE

SECURITIES COMMISSIONER OF SOUTH CAROLINA

| | | |
|-----------------------------------|---|----------------------------------|
| IN THE MATTER OF: |) | MOTION FOR AN ORDER |
| |) | REVOKING REGISTRATION AND |
| |) | IMPOSING A PERMANENT BAR |
| Christopher A. Corso, Sr., |) | FROM REGISTRATION |
| |) | |
| |) | File Number 07003 |
| <u>Respondent.</u> |) | |

WHEREAS, the Securities Division of the Office of the Attorney General of the State of South Carolina (the "Division"), pursuant to authority granted in the South Carolina Uniform Securities Act of 2005 (the "Act"), S.C. Code Ann. § 35-1-101 to 35-1-703 (Supp. 2007), received information regarding alleged activities of Christopher A. Corso, Sr. ("Respondent") which could constitute violations of the Act; and

WHEREAS, the information led the Division to open and conduct an investigation of Respondent pursuant to S.C. Code Ann. § 35-1-602, which culminated in the Division's issuance of a "Notice of Intent to Seek Revocation of Registration and Permanent Bar" (the "Notice of Intent") on September 21, 2007 (a copy of which is attached hereto as Exhibit A); and

WHEREAS, the Notice of Intent set forth an alleged factual history and the applicable law to revoke Respondent's registration and gave Respondent notice and opportunity for a hearing; and

WHEREAS, the Notice of Intent indicates that in the event written notice requesting a hearing is not received within thirty (30) days from the date of receipt of the Notice of Intent, an Order Revoking Respondent's Registration and Issuing a Permanent Bar from Registration may be entered in the proceeding with no further notice; and

WHEREAS, service of process of the Notice of Intent was perfected on the Respondent pursuant to S.C. Code Ann. § 35-1-611 (see Affidavit of compliance attached hereto as Exhibit B); and

WHEREAS, more than thirty (30) days have passed since Respondent's receipt of the Notice of Intent, and Respondent has not filed a written notice requesting a hearing in this matter and the time to do so has expired; and

WHEREAS, an order revoking Respondent's registration and permanently barring him from registration in this State is necessary and appropriate, in the public interest, for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act;

NOW THEREFORE, the Division moves before the Securities Commissioner of the State of South Carolina for the issuance of an Order Revoking Registration and Imposing a Permanent Bar from Registration upon Respondent for Respondent's violations of the Act, as set forth in the statement of uncontroverted facts of the case.

STATEMENT OF UNCONTROVERTED FACTS

1. Respondent is a natural person whose last known address, as filed on the Central Registration Depository maintained by the Financial Industry Regulatory Authority ("FINRA"), an entity that resulted from the merger of the National Association of Securities Dealers ("NASD") and the New York Stock Exchange's ("NYSE") Member Regulation unit, is 3728 Duck Creek, Garland, Texas 75043.
2. On or about April 22, 2003, Respondent registered in South Carolina as an agent of Richmark Capital Corporation.
3. On or about May 28, 2004, Respondent registered in South Carolina as an agent of CAC Capital Corporation.
4. On or about April 25, 2003, May 28, 2004, June 2, 2004, May 26, 2005, June 6, 2005, June 30, 2005, August 4, 2005, and June 14, 2006, Respondent filed with the Division "Uniform Application for Securities Industry Registration or Transfer" documents ("Form U-4s") to register or amend Respondent's agent registration.

5. Respondent signed section 15.A of all Form U-4s with the exception of the filing on June 2, 2004, attesting that he had read and understood the items and instructions on the Form U-4s, that he understood he would be subject to administrative, civil or criminal penalties if he gave false or misleading answers, that his answers were true and complete to the best of his knowledge, that he agreed to update the Form U-4s by causing an amendment to be filed on a timely basis whenever changes occurred to the answers previously reported, and to the extent any information previously submitted was not amended, the information provided in the Form U-4s was currently accurate and complete.
6. On or about April 30, 2003, Respondent was arrested in Dallas County, Texas for the offense of driving while intoxicated 3rd (the "DWI Felony"), a third degree felony due to prior convictions for the offenses of driving a motor vehicle while intoxicated. On or about May 20, 2003, Respondent was charged in Dallas County, Texas for the DWI Felony. On or about January 22, 2004, Respondent entered a plea of guilty and was convicted of the DWI Felony.
7. On or about April 30, 2003, Respondent was arrested in Dallas County, Texas for the offense of possession of cocaine under one gram (the "Possession Felony"), a state jail felony. On or about May 20, 2003, Respondent was charged in Dallas County, Texas for the Possession Felony.
8. Item 14A(1) of the Form U-4s required Respondent to answer "yes" or "no" to whether he had ever been charged with any felony, or had ever been convicted of or pled guilty or nolo contendere to any felony.
9. On the Form U-4s filed by Respondent on May 28, 2004, June 2, 2004, May 26, 2005, June 6, 2005, June 30, 2005, August 4, 2005, and June 14, 2006, Respondent answered "no" to item 14A(1), thereby failing to disclose the DWI Felony charge, the DWI Felony guilty plea and conviction, and the Possession Felony charge.

10. On the Form U-4s filed by Respondent on May 28, 2004, June 2, 2004, May 26, 2005, June 6, 2005, June 30, 2005, August 4, 2005, and June 14, 2006, Respondent failed to indicate or denied he had ever been charged with any felony, or had ever been convicted of or pled guilty or nolo contendere to any felony.
11. Each of Respondent's failures to submit a truthful response and/or to amend an earlier negative response to Item 14A(1) on Form U-4s filed on or after May 20, 2003, constitutes a violation of the Act.
12. Pursuant to Sections 14.A(1), 14.A(6), 14.A(7) and 23-1 of the Texas Securities Act and § 105.5 and § 105.8(a) of the Texas Securities Board Rules, following notice and opportunity for a hearing, the Texas Securities Commissioner revoked Respondent's registration on March 5, 2007.
13. Respondent's agent registration in the State of South Carolina terminated on December 31, 2006.
14. The foregoing charges and felony conviction, Respondent's failure to disclose the felony charges and conviction, and the Texas Securities Commissioner's revocation of Respondent's agent registration after notice and opportunity for a hearing are all grounds for (1) revocation of Respondent's agent registration in South Carolina and (2) the issuance of a permanent bar against Respondent, pursuant to Sections 35-1-409 and 35-1-412 of the Act.

APPLICABLE LAW

15. Pursuant to S.C. Code Ann. § 35-1-409, the Securities Commissioner may institute a revocation proceeding under S.C. Code Ann. § 35-1-412 within one year after the withdrawal of a registration as a broker-dealer, agent, investment adviser or investment adviser representative became effective automatically and issue a revocation or suspension order as of the last date on which registration was effective.

16. Pursuant to S.C. Code Ann. § 35-1-412(b), the Securities Commissioner may issue an order to revoke the registration of a registrant if the Securities Commissioner finds the Order to be in the public interest and S.C. Code Ann. § 35-1-412(d) authorizes the action.
17. Pursuant to S.C. Code Ann. § 35-1-412(c), the Securities Commissioner may issue a permanent bar from registration against a registrant if the Securities Commissioner finds the permanent bar to be in the public interest and S.C. Code Ann. § 35-1-412(d) (1) through (6), (8), (9), (10), or (12) and (13) authorizes the action.
18. Based on actions described in S.C. Code Ann. § 35-1-412(d)(1), (2), (3) and (5), a person may be disciplined under S.C. Code Ann. § 35-1-412(a) through (c) if the person:
 - a. Has filed an application for registration in South Carolina under the Act within the previous ten (10) years, which was incomplete in any material respect or contained a statement that in light of the circumstances was false or misleading with respect to a material fact;
 - b. Has willfully violated or willfully failed to comply with the Act or a rule adopted or order issued under the Act;
 - c. Has been convicted of a felony;
 - d. Is the subject of an order, issued after notice and opportunity for a hearing by the securities or other financial services regulator of a State or the Securities and Exchange Commission or other federal agency denying, revoking, barring, or suspending registration as a broker-dealer, agent, investment adviser, federal covered investment adviser, or investment adviser representative; or
 - e. Has engaged in dishonest or unethical practices in the securities, commodities, investment, franchise, banking, finance or insurance business within the previous 10 years.

19. Pursuant to S.C. Code of Regulations 13-502(B), engaging in conduct such as non-disclosure, incomplete disclosure, or deceptive practices shall also be grounds for denial, suspension, or revocation of registration, imposition of administrative fines, or such other action authorized by statute.

**REQUEST FOR AN ORDER REVOKING RESPONDENT'S REGISTRATION AND
IMPOSING A PERMANENT BAR FROM REGISTRATION**

20. Based on the foregoing, the Division has determined that Respondent has engaged in an act, practice, or course of business constituting a violation of the Act or a rule adopted or order issued under the Act by filing one or more Form U-4s with the Division that failed to disclose one or more felony charges and a felony conviction; and
21. Based on the foregoing, the Division has determined that it is necessary and appropriate in the public interest, for the protection of investors, and consistent with the purposes fairly intended by the policies and procedures of the Act to issue an Order Revoking Registration and Imposing a Permanent Bar from Registration against Respondent in this case; and
22. Based on the foregoing, the Division moves for an Order Revoking Registration and Imposing a Permanent Bar from Registration against Respondent.

Respectfully submitted,

July 29, 2008

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ADMINISTRATIVE PROCEEDING**BEFORE THE****SECURITIES COMMISSIONER OF SOUTH CAROLINA****IN THE MATTER OF:****Christopher A. Corso, Sr.,****Respondent.****NOTICE OF INTENT TO SEEK
REVOCATION OF REGISTRATION
AND PERMANENT BAR****File Number 07003**

The Securities Division of the Office of the Attorney General (the "Division"), under the authority of the South Carolina Uniform Securities Act of 2005 (the "Act"), Section 35-1-101 through 35-1-703 (Supp. 2005), Code of Laws of South Carolina, upon due consideration of the subject matter herein and having reason to believe that Christopher A. Corso, Sr. ("Respondent") violated one or more provisions of the Act and Regulations promulgated thereunder, does hereby notify Respondent that the Division intends to seek a revocation of Respondent's registration as a broker-dealer agent in South Carolina and a permanent bar from registration as a broker-dealer agent in South Carolina in the future, pursuant to Sections 35-1-409 and 35-1-412 of the Act. In accordance with S.C. Code Ann. § 35-1-412(g), the Division hereby alleges the following:

FACTUAL HISTORY

1. Respondent is a natural person whose last known address, as filed on the Central Registration Depository maintained by the Financial Industry Regulatory Authority ("FINRA"), an entity that resulted from the merger of the National Association of Securities Dealers ("NASD") and the New York Stock Exchange's ("NYSE") Member Regulation unit, is 3728 Duck Creek, Garland, Texas 75043.
2. On or about April 22, 2003, Respondent registered in South Carolina as an agent of Richmark Capital Corporation.

3. On or about May 28, 2004, Respondent registered in South Carolina as an agent of CAC Capital Corporation.
4. On or about April 25, 2003, May 28, 2004, June 2, 2004, May 26, 2005, June 6, 2005, June 30, 2005, August 4, 2005, and June 14, 2006, Respondent filed with the Division "Uniform Application for Securities Industry Registration or Transfer" documents ("Form U-4s") to register or amend Respondent's agent registration.
5. Respondent signed section 15.A of all Form U-4s with the exception of the filing on June 2, 2004, attesting that he had read and understood the items and instructions on the Form U-4s, that he understood he would be subject to administrative, civil or criminal penalties if he gave false or misleading answers, that his answers were true and complete to the best of his knowledge, that he agreed to update the Form U-4s by causing an amendment to be filed on a timely basis whenever changes occurred to the answers previously reported, and to the extent any information previously submitted was not amended, the information provided in the Form U-4s was currently accurate and complete.
6. On or about April 30, 2003, Respondent was arrested in Dallas County, Texas for the offense of driving while intoxicated 3rd (the "DWI Felony"), a third degree felony due to prior convictions for the offenses of driving a motor vehicle while intoxicated. On or about May 20, 2003, Respondent was charged in Dallas County, Texas for the DWI Felony. On or about January 22, 2004, Respondent entered a plea of guilty and was convicted of the DWI Felony.
7. On or about April 30, 2003, Respondent was arrested in Dallas County, Texas for the offense of possession of cocaine under one gram (the "Possession Felony"), a state jail felony. On or about May 20, 2003, Respondent was charged in Dallas County, Texas for the Possession Felony.

8. Item 14A(1) of the Form U-4s required Respondent to answer “yes” or “no” to whether he had ever been charged with any felony, or had ever been convicted of or pled guilty or nolo contendere to any felony.
9. On the Form U-4s filed by Respondent on May 28, 2004, June 2, 2004, May 26, 2005, June 6, 2005, June 30, 2005, August 4, 2005, and June 14, 2006, Respondent answered “no” to item 14A(1), thereby failing to disclose the DWI Felony charge, the DWI Felony guilty plea and conviction, and the Possession Felony charge.
10. On the Form U-4s filed by Respondent on May 28, 2004, June 2, 2004, May 26, 2005, June 6, 2005, June 30, 2005, August 4, 2005, and June 14, 2006, Respondent failed to indicate [or denied] he had ever been charged with any felony, or had ever been convicted of or pled guilty or nolo contendere to any felony.
11. Each of Respondent’s failures to submit a truthful response and/or to amend an earlier negative response to Item 14A(1) on Form U-4s filed on or after May 20, 2003, constitutes a violation of the Act.
12. Pursuant to Sections 14.A(1), 14.A(6), 14.A(7) and 23-1 of the Texas Securities Act and § 105.5 and § 105.8(a) of the Texas Securities Board Rules, following notice and opportunity for a hearing, the Texas Securities Commissioner revoked Respondent’s registration on March 5, 2007.
13. Respondent’s agent registration in the State of South Carolina terminated on December 31, 2006.
14. The foregoing charges and felony conviction, Respondent’s failure to disclose the felony charges and conviction, and the Texas Securities Commissioner’s revocation of Respondent’s agent registration after notice and opportunity for a hearing are all grounds for

(1) revocation of Respondent's agent registration in South Carolina and (2) the issuance of a permanent bar against Respondent, pursuant to Sections 35-1-409 and 35-1-412 of the Act.

APPLICABLE LAW

15. Pursuant to S.C. Code Ann. § 35-1-409, the Securities Commissioner may institute a revocation proceeding under S.C. Code Ann. § 35-1-412 within one year after the withdrawal of a registration as a broker-dealer, agent, investment adviser or investment adviser representative became effective automatically and issue a revocation or suspension order as of the last date on which registration was effective.
16. Pursuant to S.C. Code Ann. § 35-1-412(b), the Securities Commissioner may issue an order to revoke the registration of a registrant if the Securities Commissioner finds the Order to be in the public interest and S.C. Code Ann. § 35-1-412(d) authorizes the action.
17. Pursuant to S.C. Code Ann. § 35-1-412(c), the Securities Commissioner may issue a permanent bar from registration against a registrant if the Securities Commissioner finds the permanent bar to be in the public interest and S.C. Code Ann. § 35-1-412(d) (1) through (6), (8), (9), (10), or (12) and (13) authorizes the action.
18. Based on actions described in S.C. Code Ann. § 35-1-412(d)(1), (2), (3) and (5), a person may be disciplined under S.C. Code Ann. § 35-1-412(a) through (c) if the person:
 - a. Has filed an application for registration in South Carolina under the Act within the previous ten (10) years, which was incomplete in any material respect or contained a statement that in light of the circumstances was false or misleading with respect to a material fact;
 - b. Has willfully violated or willfully failed to comply with the Act or a rule adopted or order issued under the Act;
 - c. Has been convicted of a felony;

- d. Is the subject of an order, issued after notice and opportunity for a hearing by the securities or other financial services regulator of a State or the Securities and Exchange Commission or other federal agency denying, revoking, barring, or suspending registration as a broker-dealer, agent, investment adviser, federal covered investment adviser, or investment adviser representative; or
- e. Has engaged in dishonest or unethical practices in the securities, commodities, investment, franchise, banking, finance or insurance business within the previous 10 years.

19. Pursuant to S.C. Code of Regulations 13-502(B), engaging in conduct such as non-disclosure, incomplete disclosure, or deceptive practices shall also be grounds for denial, suspension, or revocation of registration, imposition of administrative fines, or such other action authorized by statute.

NOTICE AND OPPORTUNITY FOR A HEARING

NOTICE is hereby given that the Respondent shall have thirty (30) days from the date of receipt of this Notice of Intent to Seek Revocation of Registration and Permanent Bar to give written notice requesting a hearing on the matters contained herein to Thresechia Navarro, Securities Division, Post Office Box 11549, Columbia, South Carolina, 29211-1549. Within fifteen (15) days of receipt of a written notice requesting a hearing, this matter will be scheduled for a hearing. Respondent may then appear, with or without the assistance of an attorney, at the hearing to present testimony, evidence, and argument relating to the matters contained herein. In the event such written notice requesting a hearing is not received within the above-stated thirty (30) day period of time, an ORDER REVOKING RESPONDENT'S REGISTRATION AND ISSUING A PERMANENT BAR may be entered in this proceeding with no further notice.

The Division reserves the right to seek a civil penalty in a separate proceeding.

Executed and entered, this the 21st day of September, 2007.

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